

## **EXHIBIT 15**

1 IN THE UNITED STATES DISTRICT COURT  
2 FOR THE SOUTHERN DISTRICT OF NEW YORK

3 GOVERNMENT OF THE :  
4 UNITED STATES VIRGIN :  
ISLANDS, : CASE NO.  
Plaintiff, : 1:22-CV-10904  
: -JSR

5 :  
6 v. :  
7 JPMORGAN CHASE BANK, :  
N.A., :

8 Defendant/Third Party :  
Plaintiff. :

9 :  
10 JPMORGAN CHASE BANK, :  
N.A., :

11 Third Party Plaintiff, :

12 v. :

13 JAMES EDWARD STALEY, :

14 Third Party Defendant. :

15 CONFIDENTIAL - PURSUANT TO PROTECTIVE ORDER

16 - - -  
July 13, 2023  
- - -

17 Videotaped deposition of  
18 JOHN R. DUFFY, taken pursuant to notice,  
was held at Wilmer Hale, Seven World  
19 Trade Center, New York, New York,  
beginning at 9:17 a.m., on the above  
20 date, before Michelle L. Gray, a  
Registered Professional Reporter,  
21 Certified Shorthand Reporter, Certified  
Realtime Reporter, and Notary Public.

22  
23 GOLKOW LITIGATION SERVICES  
877.370.3377 ph | 917.591.5672 fax  
deps@golkow.com  
24

1                   A.         Personal relationship, as --  
2         as you are posing the question, to me,  
3         feels like something beyond business.

4                   And rapport is an  
5         understanding and a dialogue that flows  
6         freely where you understand that person,  
7         they understand you, and it helps in  
8         business to be well understood and to  
9         understand the person you're trying to  
10      serve.

11                  Q.         Did you have any personal  
12         relationships with any of your clients  
13         at -- while you were at JPMorgan?

14                  A.         I had rapport with many  
15         clients.

16                  Q.         Did you have any personal  
17         relationships with them?

18                  A.         I would -- I'd probably say  
19         I don't have relationships that I would  
20         have called personal. I think all was  
21         business.

22                  Q.         Did you ever have a social  
23         dinner with a client?

24                  A.         Not that I can think of.

1 anybody else?

2 A. Not that I recall.

3 Jes was the senior person on  
4 that relationship, and for me, that was  
5 the right person to raise that with.

6 Q. What do you mean "senior  
7 person on that relationship"?

8 A. Jes was involved with, to my  
9 knowledge, Mr. Epstein's relationship  
10 with JPMorgan right from the very  
11 beginning, whenever that was.

12 And to my knowledge, it  
13 continued after he was outside of the  
14 Private Bank. And Jes kept in touch with  
15 many clients in the Private Bank, post  
16 his days in the Private Bank.

17 Q. Do you know whether Jes had  
18 a formal role in approving Mr. Epstein's  
19 retention by the bank as a client when he  
20 was in charge of the Private Bank?

21 MR. JOHNSON: Objection.

22 THE WITNESS: Sorry, can you  
23 say that again.

24 BY MR. SCHIFFMANN:

1 Q. Sure.

2 As far as you know, did  
3 Mr. Staley have any formal role in  
4 deciding whether Mr. Epstein should  
5 remain a client of the Private Bank while  
6 he was in charge of the investment bank?

7 MR. JOHNSON: Objection.

8 THE WITNESS: As a senior  
9 member of the firm and a member of  
10 the operating committee, who  
11 continued to work on that account  
12 in some way or fashion, some of it  
13 visible to me, some of it not  
14 visible to me, Jes was a part of  
15 that relationship. And I would  
16 have expected, if there was  
17 something that I should have  
18 known, he would have told me.

19 We relied upon Jes, in this  
20 instance and in -- and in others,  
21 as it related to his judgment  
22 about an account. And in this  
23 case we're talking about  
24 Mr. Epstein's account.

1 BY MR. SCHIFFMANN:

2 Q. And you say "we." Who do  
3 you mean by "we"?

4 A. Broadly speaking, the  
5 Private Bank. Coverage team, CEO of the  
6 asset and wealth management business,  
7 myself.

8 Q. There were other people also  
9 responsible for the relationship with  
10 Mr. Epstein, right?

11 A. Oh, for sure. There are  
12 people who are doing the work, day in and  
13 day out.

14 Q. So at most, Mr. Staley was  
15 part of a broader team that was in charge  
16 of deciding whether Mr. Epstein should  
17 remain a client?

18 A. Most senior member,  
19 operating committee member. Little bit  
20 different than everybody else on the  
21 team.

22 Q. What do you mean by that?

23 A. Most senior person and, you  
24 know, a person who you look up to, to

1 hold up the code of conduct of the firm,  
2 and fiduciary responsibility to clients  
3 and shareholders.

4 Q. Do you think other members  
5 of the team also had an obligation to  
6 uphold the code of conduct?

7 A. Well, everyone does.

8 Q. Do you think other members  
9 of that team also had a fiduciary  
10 responsibility to clients and  
11 shareholders?

12 A. Yes, I do.

13 Q. And as you said, those other  
14 members of the team were doing the work,  
15 day in and day out, right?

16 A. Yes.

17 Q. And those other members of  
18 the team were closer to Mr. Epstein's  
19 actual account activity, right?

20 A. Yes.

21 Q. And you'd agree that those  
22 other members of the team also had an  
23 important role in the decision of whether  
24 Mr. Epstein should remain a client?

1 time frame, situation.

2 It's just not that cut and  
3 dry. It was a heavy influence.

4 Q. What was the basis for that  
5 influence?

6 A. Seniority, history with the  
7 client.

8 Q. Going to your next  
9 conversation with Mr. Staley about  
10 Mr. Epstein, I think you testified that  
11 in -- you had another conversation with  
12 him in 2011 after you became CEO of the  
13 investment bank?

14 A. Of the Private Bank.

15 Q. Yes, sorry, Private Bank.

16 A. Yes, that's correct.

17 Q. And do you remember how long  
18 after your elevation to CEO of the  
19 Private Bank you had that conversation?

20 A. Yeah. It was pretty quickly  
21 after. Weeks.

22 Q. And where was that  
23 conversation?

24 A. In his office at the

1 investment bank, arranged by his  
2 assistant.

3 Q. Did he arrange that meeting  
4 or did you?

5 A. I did. I asked for it. And  
6 it was in follow-up to discussions with  
7 colleagues.

8 Q. What --

9 A. Concerns for Mr. Epstein's  
10 reputation and, again, looking to raise  
11 the question with Jes. Don't understand  
12 why -- why we are retaining him, on a  
13 reputational basis, as a client.

14 Q. And what did you say to  
15 Mr. Staley at that meeting?

16 A. I said, Jes, I really don't  
17 understand why Mr. Epstein is still a  
18 client at the bank. From a reputational  
19 perspective, it just doesn't fit. And  
20 like, you know, we had previously talked  
21 a couple years back, probably, whenever  
22 that last was. I said, this feels to me  
23 like it's time.

24 Q. Do you remember anything

1 else that you said to him?

2 A. I do.

3 Q. What else did you say to  
4 him?

5 A. So Jes rebuffed me, said,  
6 don't see the need for that. I would  
7 trust Jeffrey with members of my family,  
8 his daughters.

9 And the last thing I said to  
10 Jes about it was, well, Jes, if I were  
11 asked why is Jeffrey Epstein a client of  
12 the bank at this stage, I would have to  
13 answer, because of Jes Staley.

14 Q. Do you remember anything  
15 else that Mr. Staley said to you during  
16 that meeting?

17 A. No.

18 Q. What was Mr. Staley's  
19 reaction to your statement that, if  
20 you -- if you were asked why Mr. Epstein  
21 is a client of the bank, your answer  
22 would be Jes Staley?

23 A. The meeting was over. Jes  
24 was on to other things. That was it. It

1 was kind of the last word in that  
2 meeting, that I recall.

3 Q. Do you remember whether you  
4 gave Mr. Staley additional detail about  
5 your specific concerns for Mr. Epstein's  
6 reputation?

7 A. I shared with you what I  
8 recall.

9 Q. Do you recall giving him any  
10 details about Mr. Epstein's account  
11 activity?

12 A. I do not recall that. The  
13 basis of the conversation was reputation.

14 Q. Did you write any of --  
15 well, withdrawn.

16 Did you ever write down what  
17 happened in that meeting?

18 A. I don't recall.

19 Q. Did you tell anybody about  
20 that conversation?

21 A. Colleagues in the Private  
22 Bank.

23 Q. Who -- which colleagues?

24 A. We -- I had an obligation to

1 go back to the due diligence committee  
2 and report back on the conversation with  
3 Jes.

4 Q. And you did that orally?

5 A. I did that orally.

6 Q. Did you send any follow-up  
7 e-mails, based on this --

8 A. Not that I recall.

9 Q. Just again, I'd ask you to  
10 try to let me finish my sentence.

11 A. Sure.

12 Q. Did -- in your view, did  
13 Mr. Staley hear out your concerns?

14 A. Well, he heard them.

15 Q. Did he try to get you to  
16 stop sharing your concerns?

17 A. No. He tried to convince me  
18 that he was right, briefly.

19 Q. Do you remember anything  
20 else about his statement that he would  
21 trust Mr. Epstein with members of his  
22 family?

23 A. No.

24 Q. What was your reaction to

1 hearing him say that he would trust  
2 Mr. Epstein with members of his family?

3 A. I was surprised and felt  
4 like this conversation was going the same  
5 way as the previous, so I was frustrated.

6 Q. Did you believe -- well,  
7 withdrawn.

8 Did he succeed in changing  
9 your mind about whether Mr. --  
10 Mr. Epstein should remain a client of the  
11 Private Bank?

12 A. No.

13 Q. So after this meeting it was  
14 still your opinion that Mr. Staley --  
15 that Mr. Epstein should no longer be a  
16 member of the Private Bank -- or a client  
17 of the Private Bank?

18 A. Correct. And it was also  
19 clear that Jes wanted him to remain a  
20 client.

21 Q. Did Jes order you to  
22 continue approving Mr. Epstein as a  
23 client?

24 A. I shared with you what I

1 recall.

2 Q. So you don't remember him  
3 ordering you to retain him as a client?

4 A. I shared with you what I  
5 recall.

6 Q. And you don't recall that?

7 A. Those specific words, I do  
8 not recall.

9 Q. Do you recall anything to  
10 that effect?

11 A. I've -- I've shared with you  
12 what I recall.

13 Q. So you don't recall him  
14 saying anything to the effect of, I'm  
15 ordering you to --

16 A. I don't recall.

17 Q. I'm sorry, I just --

18 A. Okay.

19 Q. -- I just want to make my  
20 record clear.

21 A. Yeah. Sorry. Go ahead.

22 Q. I understand this can be  
23 frustrating. Sometimes I have to ask the  
24 question multiple times to get it clear.

1 A. Yes.

2 Q. So you don't recall him  
3 saying anything to the effect of, I'm  
4 ordering you to keep Mr. Epstein as a  
5 client?

6 A. I don't recall those words.

7 Q. Or anything to that effect?

8 A. I don't recall hearing words  
9 like that.

10 Q. Okay.

11 MR. JOHNSON: Is this a good  
12 time for a break?

13 THE WITNESS: I do --

14 MR. JOHNSON: Sorry, John.

15 THE WITNESS: Yeah, yeah.

16 MR. SCHIFFMANN: Yeah, we  
17 can -- we can go off the record --

18 MR. BOUCHOUX: John, do you  
19 have something to add?

20 THE WITNESS: Yeah, I  
21 said -- well --

22 MR. BOUCHOUX: He was in the  
23 middle of his answer.

24 THE WITNESS: What I do

1 recall, it was very clear from  
2 that conversation with Jes, Jes  
3 wanted Mr. Epstein to remain a  
4 client.

5 And it wasn't in Jes's  
6 nature to order anybody anything,  
7 to do anything. That's just not  
8 the way he conducted business.

9 He just said this shouldn't  
10 change.

11 BY MR. SCHIFFMANN:

12 Q. Did you understand him to be  
13 implicitly telling you what you should  
14 do?

15 A. Basically. Retain Jeffrey  
16 as a client. Yes. That's how -- that's  
17 what I left that meeting with.  
18 Mr. Epstein remains a client.

19 Q. Did you leave that -- well,  
20 withdrawn.

21 MR. SCHIFFMANN: We can take  
22 a break now.

23 THE VIDEOGRAPHER: The time  
24 right now is 10:13 a.m. We're off

1 Q. Did Mr. Staley ever say  
2 anything else to you, similar to that he  
3 would trust Mr. Epstein with his family?

4                   A.        I just recall that one  
5 instance.

6 Q. Did you consider escalating  
7 your concerns about Mr. Epstein to other  
8 senior leaders at JPMorgan?

9                   A.       That's what I was doing when  
10      I went to see Jes.

11 Q. But after Mr. Staley  
12 disagreed with you, did you consider  
13 raising your concerns about Mr. Epstein  
14 with other senior leaders at the bank?

15                   A.       I -- I felt like Jes was the  
16 final word on that.

17 Q. Did you raise your  
18 concerns -- well, withdrawn.

19 At the time that you were  
20 CEO of the U.S. Private Bank, who did you  
21 report to?

22 A. Phil Di Iorio.

23 Q. Who did he report to?

24 A. Mary Erdoes.

1 Q. And you, as CEO of the U.S.  
2 Private Bank, ultimately were the final  
3 approver on the -- in the KYC process,  
4 right?

5 A. On the last step of the  
6 process.

7 Q. And as part of that process,  
8 you have to grant your approval to the  
9 retention of the relationship, right?

10 A. I would have to give an  
11 answer, yes.

12 Q. And -- okay. If you did not  
13 approve a high-risk client for retention,  
14 what would happen to that client account?

15 A. It would probably get  
16 debated again.

17 Q. And, ultimately, if you  
18 still did not approve the retention of  
19 the -- of that client, would the client  
20 then be exited?

21 A. No, not necessarily.

22 Q. So a client could be  
23 retained even if you refused to approve  
24 the KYC on the client?

1                   A.       I don't know what the rules  
2 say on that.

3                   Q.       Are you aware of any  
4 situation in which the CEO of the U.S.  
5 Private Bank refused to approve a client  
6 retention KYC and, yet, the account  
7 remained open?

8                   A.       I wouldn't have enough  
9 information to answer that.

10                  Q.       Well, when you were CEO of  
11 the U.S. Private Bank, did you ever  
12 refuse to approve a high-risk client's  
13 retention?

14                  A.       I don't recall. But I do  
15 recall wanting to exit clients, other  
16 clients, and they were not exited.

17                  Q.       And do you recall whether,  
18 in those situations, you ultimately  
19 approved the retention of the client  
20 through the KYC process?

21                  A.       I can't recall whether, at  
22 that point in time, I had KYC  
23 responsibility.

24                  Q.       Well, do -- when you were --

1 to continue to have Mr. Epstein as a  
2 client.

3 MR. BOUCHOUX: John --

4 BY MR. SCHIFFMANN:

5 Q. You mean Mr. Staley --

6 A. Mr. -- sorry, Mr. Staley.

7 Thank you.

8 Q. Yeah.

9 But ultimately you were the  
10 one who had to give approval?

11 A. The way the process works, I  
12 had to -- in order for Mr. Epstein to  
13 remain a client, I had to be part of that  
14 process, and part of that process, for  
15 me, was talking to Mr. Staley. And the  
16 basis of my approving that DDR was my  
17 conversation with Mr. Staley.

18 Q. But you could have decided  
19 not to approve a DDR?

20 A. Any DDR I could have -- I  
21 could decide not to approve, yes.

22 Q. So you may not always like a  
23 client, but that doesn't necessarily mean  
24 that you're going to refuse to sign their

1 DDR?

2 A. It means I'm going to follow  
3 through on, to the best of my abilities,  
4 on understanding that client, raising  
5 concerns about that client, as I did with  
6 Mr. Staley as it relates to Mr. Epstein.

7 And in the case of  
8 Mr. Epstein, I felt like Mr. Staley was  
9 the final court of appeal on that.

10 Q. So --

11 A. So my -- my signing off on  
12 that DDR reflects my conversations with  
13 Mr. Staley as an operating committee  
14 member and someone who has a fiduciary  
15 responsibility to the bank, its clients,  
16 its shareholders.

17 Q. You testified earlier that  
18 your conversation with Mr. Staley was  
19 about reputational risk, right?

20 A. Correct.

21 Q. As part of the KYC process,  
22 though, you have access to other  
23 information about Mr. Epstein's accounts,  
24 right?

1 Q. But you were the one signing  
2 the DDR, were you not?

3 A. Yes.

4 Q. You could have declined to  
5 sign it?

6 A. I don't know what would have  
7 happened after that, to be honest. I  
8 don't know what the process does after  
9 the CEO of the business declines it.

10 But I know I signed that,  
11 based upon Jes wanting the client to be  
12 retained.

13 Q. But you could have declined  
14 to sign it. You say you do not know what  
15 would have happened, but you could have  
16 declined to sign it, right?

17 A. There are one of two answers  
18 here, yes or no, on the DDR form.

19 Q. And you could have answered  
20 no?

21 A. I suppose.

22 Q. As CEO of the U.S. Private  
23 Bank, did you have authority to fire a  
24 client from the Private Bank?

1                   A.       I don't know that any one  
2 person has the authority to fire a client  
3 from the bank. That's not been my  
4 experience.

5                   Q.       Well, if you refused to  
6 approve a client's retention in the  
7 Private Bank, that client would be  
8 exited, right?

9                   A.       No. The process of  
10 retaining a client or exiting a client is  
11 never that simple.

12                  Q.       So, in your view, a -- you,  
13 as the CEO, could have refused to approve  
14 the retention of Mr. Epstein and  
15 Mr. Epstein still could have remained a  
16 client of the Private Bank?

17                  A.       It's possible. Like I said,  
18 as it relates to exiting clients, no one  
19 person holds that authority.

20                   These relationships with  
21 clients span different businesses, and as  
22 a result of that, there's usually a  
23 widening of the circle and a broader  
24 team-based decision about exiting a

1 client.

2 Q. But I'm saying, if you stuck  
3 to your guns and refused to approve  
4 Mr. Epstein for retention as a client of  
5 the Private Bank, your testimony is that  
6 he might have just remained?

7 MR. JOHNSON: Objection.

8 THE WITNESS: I don't know.

9 That would be speculation on my  
10 part. I don't know.

11 BY MR. SCHIFFMANN:

12 Q. Well, why didn't you --  
13 well, withdrawn.

14 If -- if you could have  
15 declined to sign the DDR and initiated a  
16 broader conversation about whether to  
17 keep Mr. Epstein as a client, why didn't  
18 you do that?

19 A. We felt like we had that  
20 conversation. I felt like I had that  
21 conversation with Jes.

22 Q. Mr. Staley didn't convince  
23 you that Mr. Epstein was a good  
24 reputational bet for JPMorgan, did he?

1 A. Rephrase that, please.

2 Q. At the end of your  
3 conversation with Mr. Staley, you still  
4 thought Mr. Epstein should be exited.

5 A. I was of the opinion his  
6 reputational risk was not worth having  
7 him as an account, that's correct.

8 Q. And, nevertheless, you  
9 signed the DDR allowing him to remain.

10 A. I did.

11 Q. And if you had declined to  
12 sign that, a widening of the circle would  
13 have occurred, at which more people would  
14 have discussed what to do with this  
15 business, right?

16 A. The -- I felt like that had  
17 already happened.

18 Q. Did you involve the CEO of  
19 the entire Private Bank in that  
20 conversation?

21 A. I don't recall.

22 Q. Did you involve Phil  
23 Di Iorio in that conversation?

24 A. They are one and the same.

1 angry call from Jeffrey?"

2 Do you see that?

3 A. I do.

4 Q. What -- do you know what

5 Mr. Schlakman is referring to when he

6 refers to a "usual angry call from

7 Jeffrey"?

8 MR. JOHNSON: Objection.

9 THE WITNESS: I do not know  
10 what he means by that.

11 But the first part of that  
12 paragraph, "the only sensitivity  
13 is his relationship with Jes,"  
14 that is simply consistent with  
15 what we all believe, which was Jes  
16 was the senior relationship person  
17 with Mr. Epstein.

18 BY MR. SCHIFFMANN:

19 Q. But Mr. Schlakman wasn't  
20 suggesting that because of that  
21 relationship you would make an exception  
22 to the callback policy, right?

23 A. He wasn't, I don't believe  
24 that.

1                   A F T E R N O O N       S E S S I O N

2                   - - -

3                   THE VIDEOGRAPHER: The time  
4                   right now is 12:37 p.m. We're  
5                   back on the record.

6                   - - -

7                   CONTINUED EXAMINATION

8                   - - -

9                   BY MR. SCHIFFMANN:

10                  Q.       Mr. Duffy, at any point  
11                  during your time as CEO of the U.S.  
12                  Private Bank, did you become concerned by  
13                  Mr. Epstein's use of cash from his  
14                  JPMorgan accounts?

15                  A.       I wasn't concerned about his  
16                  use of cash. Large clients use cash in  
17                  different ways. They are different than,  
18                  you know, the average person on Main  
19                  Street.

20                  But I did speak with  
21                  Mr. Epstein about his use of cash and  
22                  what it was for and made suggestions to  
23                  him as it related to his response, which  
24                  was for aviation fuel, to use his

1 aviation account.

2 Q. So your answer is no, you  
3 were not concerned about his use of cash?

4 A. It wasn't -- it wasn't  
5 outsized in relation to what clients of  
6 Mr. Epstein's net worth or asset base  
7 has. And it wasn't unusual, as it  
8 related to what was expected in that  
9 account, and he was pretty consistent in  
10 the use of that.

11 So we are always concerned  
12 about people who use cash and might be  
13 carrying cash around, because it's a  
14 liability for them.

15 Q. So other than the size of --  
16 well, strike that.

17 So you've just testified  
18 that you weren't concerned about the size  
19 of the withdrawals. Did anything else  
20 about the cash withdrawals concern you  
21 while you were CEO of the U.S. Private  
22 Bank?

23 MR. JOHNSON: Objection.

24 THE WITNESS: We -- clients

1                   who take out cash regularly, we  
2                   look for it to be consistent with  
3                   what was expected for that  
4                   account. And the DDR is the  
5                   mechanism for setting the  
6                   expectation of activity in an  
7                   account. And Mr. Epstein's cash  
8                   withdrawals were consistent with  
9                   the expectations as set by his  
10                  DDR.

11 BY MR. SCHIFFMANN:

12                  Q.       So to answer my question,  
13 you did not -- you were not concerned  
14 about any aspect of his cash usage while  
15 you were CEO of the U.S. Private Bank?

16                  A.       I was curious about it. I  
17 asked him about it.

18                  Q.       But you were not concerned  
19 about it?

20                  A.       No. We spoke about it. He  
21 gave me an answer, which was it was for  
22 jet fuel. I took him at his word and  
23 felt like I covered that with him.

24                  Q.       And when he told you that,

1 you believed him?

2 A. I did.

3 Q. Did you ever think he was  
4 being dishonest with you?

5 A. No, I did not.

6 Q. So did you always take  
7 Mr. Epstein at his word?

8 A. We didn't talk that often.

9 But on that -- on that matter in  
10 particular, yes.

11 Q. Do you remember ever not  
12 taking him at his word during any of your  
13 conversations?

14 A. They were limited, so no.

15 Q. Did you ever discuss your  
16 concerns -- well, withdrawn.

17 Did you ever discuss  
18 Mr. Epstein's use of cash with Mary  
19 Erdoes?

20 A. Yes.

21 Q. And what do you remember  
22 about -- well, when was that  
23 conversation?

24 A. I don't recall.

1 didn't think that it was appropriate?

2 A. If I thought there was  
3 something inappropriate that Mr. Epstein  
4 was doing, then I wouldn't have approved  
5 it.

6 Q. If it was your  
7 responsibility to continue the  
8 relationship, why did you initially  
9 decline to approve the account?

10 A. In this review?

11 Q. Yes.

12 A. More information, from my  
13 perspective, since we had -- I had a  
14 discussion with Mr. Epstein about his use  
15 of cash to pay for fuel out of a Hyperion  
16 account. I was looking for consistency.

17 Q. And if you found out more  
18 information that made you think that  
19 approving Mr. Epstein's account was  
20 inappropriate, you would have declined to  
21 approve it, right?

22 A. If I thought there was  
23 anything he was doing that was wrong, a  
24 crime, illicit, I would not have approved

1 e-mail, do you remember between --  
2 whether between 6:03 p.m. on March 27th  
3 and 6:25 p.m. on March 27th you had a  
4 conversation with Mr. Epstein about this  
5 particular cash withdrawal?

6 MR. JOHNSON: Objection.

7 THE WITNESS: I did not have  
8 a conversation with him that I  
9 recall on that day.

10 BY MR. SCHIFFMANN:

11 Q. So it stands to reason that  
12 when you wrote, "I previously spoke with  
13 Jeffrey Epstein about this activity,"  
14 what you're referring to is his overall  
15 pattern of cash withdrawals, not this  
16 particular cash withdrawal?

17 A. I don't -- I had a  
18 conversation with him about his cash  
19 withdrawals and aviation fuel. That's  
20 what I'm referring to there.

21 Q. Do you remember ever  
22 speaking with him specifically about the  
23 August 1st -- sorry, about the one  
24 payment that Ms. Perry references?

1 A. It was.

2 Q. And, obviously, it was  
3 before this -- these events transpired,  
4 right?

5 A. It would -- it would have.

6 Yes.

7 Q. Did you -- do you remember  
8 if it was a long time before or had you  
9 just had that conversation?

10 A. I don't recall.

11 Q. What prompted you to speak  
12 to Mr. Epstein about his cash usage?

13 A. Cash is a funny asset. It  
14 brings liability to clients when they  
15 carry it around. Large clients often  
16 take large cash at different times of the  
17 year. Sometimes it's for household  
18 staff. Sometimes it's for holiday gifts.  
19 Sometimes it's for building personnel.

20 So it's not uncommon to talk  
21 to a client about their cash.

22 And with Mr. Epstein, as  
23 I've said to you previously, in gaining a  
24 broader picture of his account, I asked

1 him about his cash and its usage, and he  
2 mentioned aviation fuel, particularly in  
3 parts of the world that can be a little  
4 bit more difficult to travel through.  
5 And where a U.S. bank card would  
6 typically not be accepted for payment,  
7 hence the OFAC.

8                           And as I previously  
9 mentioned, I took him at his word for  
10 that.

11 Q. So after this deep dive by  
12 Ms. Perry, why did you think you needed  
13 to speak to him again about the cash  
14 withdrawals?

15                   A.       I don't recall. And I don't  
16 think we did. That's my recollection.

17 Q. The last long sentence in  
18 this e-mail is, "Perhaps the best next  
19 step is for us to speak with Harry, who  
20 we know, and ask Harry about the cash  
21 withdrawals."

Do you see that?

23 A. I do.

24 Q. And this is Harry Beller?

1 Q. Mr. Staley --

2 A. Which is what happened after  
3 Mr. Staley left JPMorgan.

4 Q. Did it happen while  
5 Mr. Staley was there?

6 A. No, it happened after  
7 Mr. Staley left JPMorgan.

8 Q. You still could have chosen  
9 not to approve any of these KYCs, right?

10 A. True.

11 Q. And in your prior testimony,  
12 that would have kicked off a process of  
13 additional conversations about what to do  
14 with Mr. Epstein's account, right?

15 A. Yes.

16 Q. And you chose to approve  
17 these accounts?

18 A. Based upon having had a  
19 conversation with Mr. Staley about his  
20 wishes to retain Mr. Epstein.

21 Q. So your testimony is  
22 Mr. Staley did not order you to maintain  
23 the relationship, correct?

24 A. Mr. Staley did not order me.

1 Q. And you had discretion to  
2 refuse to approve these account retention  
3 requests, right?

4 A. I'm sorry, the account  
5 retention requests?

6 Q. Yeah. You had discretion to  
7 decline to approve these KYCs.

8 A. Oh. In light of  
9 Mr. Staley's request to keep Mr. Epstein  
10 as a client, I didn't see that I had --  
11 there was a -- there was another avenue  
12 there.

13 And that would appear, as we  
14 just looked at, a conversation about  
15 Mr. Staley and Mr. Cutler, that that was  
16 another affirmation by Mr. Staley that  
17 Mr. Epstein remains a client at JPMorgan.

18 Q. When you say Mr. Staley's  
19 request to keep Mr. Epstein as a client,  
20 what do you mean?

21 A. When I said to Jes at the  
22 end of our conversation, if I'm asked why  
23 Mr. Epstein is a client, my response is,  
24 because of Jes Staley.

1 Q. Do you see in the next  
2 e-mail you write, "Okay"?

3 A. Yes.

4 Q. So Mr. Walden was asked to  
5 approve a \$50 million line of credit for  
6 Mr. Epstein, right?

7 A. He was.

8 Q. And he raised reputational  
9 concerns, right?

10 A. He did.

11 Q. And Mr. Nelson asked you  
12 whether you were okay moving forward,  
13 based on the reputational concerns,  
14 right?

15 A. Correct.

16 Q. And then you said okay?

17 A. I did.

18 Q. And by this time, Mr. Staley  
19 was out of JPMorgan?

20 A. Yes.

21 Q. Who was Kevin McCleerey?

22 A. Kevin was part of the risk  
23 and control team.

24 Q. Did you have any

1 received the cash for fuel explanation --  
2 or you never looked into whether or not  
3 that explanation made sense, given that  
4 he had spent a considerable number of  
5 years in jail and then on house arrest?

6 MR. JOHNSON: Objection.

7 THE WITNESS: Could you  
8 repeat your question, please.

9 MS. LIU: Can I have that  
10 question read back.

11 (Whereupon, the court  
12 reporter read back the requested  
13 portions of the transcript.)

14 THE WITNESS: That  
15 explanation, to me, was taken at  
16 face value and post the  
17 conversation with Mr. Epstein.  
18 Many of his cash activities, as  
19 recommended to him for his  
20 aviation fuel needs, were switched  
21 to his aviation account, Hyperion.

22 BY MS. LIU:

23 Q. Taken at face value, meaning  
24 you didn't do any digging into whether or

1 not that explanation made sense? You  
2 just took Mr. Epstein at his word,  
3 correct?

4 A. I took Mr. Epstein at his  
5 word. And then following that, his cash  
6 activity for fuel came out of the  
7 Hyperion account, and that made sense.

8 Q. It came out of the Hyperion  
9 account at your suggestion, correct?

10 A. Well, it came -- if he is  
11 using money, his money for aviation  
12 purposes, it's common sense and good  
13 advice to give a client advice to make  
14 sure that money comes out of your  
15 aviation account so that when you're  
16 accounting for your aviation expenses,  
17 they are well documented.

18 Q. But you knew that the money  
19 was simply being transferred into the  
20 aviation account a few days before it was  
21 then taken out of the aviation account,  
22 correct, Mr. Duffy? That's what the  
23 documents in this case show?

24 MR. JOHNSON: Objection.

1 trafficking business?

2 MR. JOHNSON: Objection.

3 THE WITNESS: I had no

4 reason to believe that

5 Mr. Epstein -- and at no point in  
6 time did I believe Mr. Epstein was  
7 committing criminal acts through  
8 JPMorgan, such as sex trafficking.

9 BY MS. LIU:

10 Q. So, therefore, you didn't  
11 look or have any of the people working  
12 for you at the Private Bank look at his  
13 transactions to see if any might have  
14 matched up with the allegations of sex  
15 trafficking; is that fair?

16 A. No, that's not fair. Our  
17 risk and control teams monitor client  
18 cash activity. [REDACTED]

19 [REDACTED]  
20 Q. All right. So let's pull up  
21 Tab 12, please.

22 THE COURT REPORTER: Is that  
23 something you're putting in the  
24 chat?

1 from my own position on that.

2                           Mr. Staley had left the  
3 bank. He was no longer a sponsor or  
4 vouching for Mr. Epstein. And we chose  
5 to terminate the relationship at that  
6 point in time.

7                           MR. SCHIFFMANN: Objection,  
8 and move to strike.

9 BY MS. LIU:

10                          Q. What were the reputational  
11 risks that you had about Mr. Epstein,  
12 including when you exited him in 2013?

13                          A. Sorry?

14                          Q. What were the reputational  
15 risks that had been known about  
16 Mr. Epstein for a long time by the time  
17 you exited him in 2013, Mr. Duffy?

18                          MR. JOHNSON: Objection.

19                          THE WITNESS: The two  
20 specific elements of Mr. Epstein's  
21 life, of being a felon and a sex  
22 offender, were the points of focus  
23 for me.

24 BY MS. LIU:

1 Q. And the bank had known he  
2 was a felon and sex offender since 2008,  
3 correct?

4 A. If that was when he was  
5 convicted, yes. I don't recall.

6 Q. And, yet, the bank waited  
7 until sometime in 2013 to exit  
8 Mr. Epstein's account from the bank; is  
9 that correct?

10 A. That's factual.

11 Q. Why did it take you almost a  
12 year from the time Mr. Staley left and  
13 clearly could no longer be vouching, as  
14 you said, for Mr. Epstein to exit his  
15 accounts from the bank?

16 MR. JOHNSON: Objection.

17 THE WITNESS: There was a  
18 process. It takes time. And  
19 that's what it became.

20 BY MS. LIU:

21 Q. But Mr. Staley had already  
22 been demoted from his position as CEO of  
23 the investment bank in early 2012 related  
24 to the London-Wales scandal, correct,